revenue during the current year from the Telephone system is estimated at Rs. 1 lakh and that for the next year at Rs 1·40 lakhs. A provision of Rs 2·00 lakhs has been made for capital works under the scheme.

43. I shall now pass on to review our debt position and explain our ways and means.

Debt Position.

44. The five per cent. Debenture Loan of Rs 14·75 lakhs raised in 1091 matures for discharge on the first day of the next year and it is proposed to repay the same on the due date from the cash balance without recourse to the sale of the securities held in the Sinking Fund investment account. Our debt position at the close of 1117 would stand at Rs 531·65 lakhs consisting of (i) Public loan of Rs. 50·89 lakhs, (ii) Special loan of Rs 79·76 lakhs and (iii) balances at the credit of Provident Funds, Insurance Funds, Savings Bank deposits, etc, Rs 401 lakhs. When our Sinking Funds, cash balances, the investments of Government in gilt-edged securities and bullion and the loans advanced by Government to agriculturists, industrialists etc., are taken into account, the debt burden is very small and is more than covered up by our assets and investments on reproductive works.

Ways and Means.

45. Our requirements for the next year for capital works (44·20), for loans, (5·44), and for discharge of the 5 per cent. Debenture Loan of 1091 (14·75) aggregate to Rs 64·39 lakhs. To meet this expenditure there is an opening balance of Rs 44·28 lakhs. A sum of Rs 4·66 lakhs is expected from repayment of loans and advances. There is also a credit of Rs 14·75 lakhs in the Sinking Fund account of the loan to be credited to General Reserve at the beginning of the next year. It has already been stated that our short-term deposits of Rs 30·54 lakhs made during the current year will also mature for realisation early next year. It is expected, that after meeting all the proposed expenditure, there will still be a comfortable closing balance of Rs 65·02 lakhs which would be more than sufficient to cover the ordinary demands of Government. It is accordingly not necessary either to sell the securities held under Revenue Reserve Fund or General Reserve Fund or resort to any additional taxation or borrowing. On the other hand, a debt of Rs 14·75 lakhs would stand discharged. Besides actual cash of Rs 65·02 lakhs, securities and bullion worth nearly Rs 2 crores are expected to stand at the credit of Government and on the whole, the year would close with a financial position as strong as ever before.

Conclusion.

46. Sir, I have been attempting to present to the House a true picture of the finances of the State and to bring home to the Honourble Members some of the outstanding features of the financial

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[Mr. R. Rama Varier.]

position and policy of the Government. Our revenue has never been static or inelastic, nor our expenditure on matters of public utility, meagre or stinted. The international situation has had its serious repercussions on our finances. It has, no doubt, severely hit us in our main source of revenue. But the gap created in our customs revenue has been more than filled up, not by a corresponding increase in the burden of taxation, but by tapping new sources of income and exploring the hidden natural resources of the State. Sir, the policy of industrialisation and intensive agriculture as two parallel activities of paramount importance, vigorously pursued by you as the Head of the Administration has gone a great way to give us new sources of revenue and to promote the economic well being of the people. You found that the country is not lacking in natural resources or potentialities and you lost no time in taking the necessary measures to improve our production and resources. The magic effect of your avowed policy of industrialisation can be described no better than in the words of the eminent Indian Journalist who said "Thanks to the unsparing labours of a brilliant Dewan in the person of Sir C. P. Ramaswami Aiyar, the liberal sympathies of a young Maharaja and the guiding spirit of an illustrious Queen Mother, the State has, of late, been progressing by leaps and bounds in many directions of a well planned economy." Our revenue may not reach the peak-point it is anticipated to reach in 1116. But it is nevertheless higher than that of 1115; and if the effect of a double credit from customs revenue included in 1116 be eliminated the revenue budgeted is really Rs. 24·86 lakhs higher and reaches the highest water-mark so far reached. With the development of the Electricity scheme and our commercial services, it may be possible for us to touch Rs 3 crores ere long. The debt obligations of the State will be considerably lightened by the discharge next year of the 5 per cent loan of 1091. There would remain only the $3\frac{1}{2}$ per cent loan of B. Rs 50 lakhs which has a Sinking Fund for its amortisation and a special loan, the major portion of which is secured by assets and which has also now been funded. Our closing balance is more than enough for our purposes. What better proof is required, if proof were required, of the financial strength and stability of the State than that despite the adverse effects of the war on our finances, it has been possible for us to make provision on a liberal scale, for all new and nation-building services and all amenities of life and yet leave an effective revenue surplus of Rs 10·5 lakhs.

47. I shall, with the leave of the House, conclude in the words of Sir Alexander Roger, Head of the British Ministry of Supply Mission to India, who in the course of his recent visit to the State said "Travancore has before her great possibilities for industrial expansion, and I have no doubt that in a few years under the present administration the country will see very rapid progress in every branch of industry."

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